



COMMONWEALTH of VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
600 East Broad Street, Suite 1300
Richmond, VA 23219

June 29, 2005

Dear Prospective Vendor:

The Department of Medical Assistance Services is soliciting proposals from qualified firms for consulting and actuarial services for the Division of Provider Reimbursement. The selected contractor(s) will provide consulting services for the Department of Medical Assistance Services. Specific details about this procurement are in the enclosed request for proposal RFP 2005-04. Contractors must check the DMAS web site at www.dmas.virginia.gov or check the eVA web site at www.eva.state.va.us for any addendums or notices regarding this RFP.

The Commonwealth will not pay any costs that any contractor incurs in preparing a proposal and reserves the right to reject any and all proposals received.

Contractors are requested not to call this office. All issues and questions related to this RFP should be submitted in writing to the attention of, Paula Margolis, Reimbursement Analyst, Provider Reimbursement Division, 600 East Broad Street, Richmond, VA 23219, by fax at 804-786-0729, or by e-mail at paula.margolis@dmas.virginia.gov.

Contractors who wish to submit a proposal are required to submit a Letter of Intent which must be received by the Department no later than 2:00 PM local time on July 22, 2005. The prior submission of a Letter of Intent is a prerequisite for submitting a proposal; proposals will not be accepted from Contractors who have not submitted a Letter of Intent by the deadline specified above. Letters of Intent shall be sent to:

Department of Medical Assistance Services
Attention: William D. Sydnor
600 East Broad Street, Suite 1300
Richmond, VA 21219

Sincerely,
William D. Sydnor
William D. Sydnor
Contract Management Director

Enclosure

**REQUEST FOR PROPOSALS
RFP 2005-04**

ISSUE DATE: June 29, 2005

Title: Consulting and Actuarial Services for the Division of Provider Reimbursement

Period of Contract: An initial period of three years from award of contract, with provisions for two twelve-month extensions.

Contact Person: All inquiries should be addressed in writing by fax at (804) 786-0729, by e-mail at paula.margolis@dmass.virginia.gov or by mail to:

Paula Margolis, Reimbursement Analyst
Provider Reimbursement Division
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Deadline for submitting Letters of Intent and questions: is **2:00 p.m. local time July 22, 2005.**

Proposal Due Date: Proposals will be accepted until **2.00 p.m., local time August 12, 2005.**

“RFP Sealed Proposal”
Department of Medical Assistance Services
600 E. Broad Street, Suite 1300
Richmond, Virginia 23219
Attention: William D. Sydnor
Facsimile Transmission is not acceptable

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

In compliance with this Request for Proposal and to all conditions imposed therein and hereby incorporated by reference, the undersigned proposes and agrees to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone	Date Signed
Fax Number	
eVA Registration Required	eVA Vendor #:
Check Applicable Status Corporation ----- Partnership ----- Proprietorship ----- Individual ----- - Woman Owned ----- Minority Owned ----- Small Business -----	

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

**REQUEST FOR PROPOSALS
FOR
CONSULTING AND ACTUARIAL SERVICES
FOR THE
PROVIDER REIMBURSEMENT DIVISION**

RFP 2005-04

June 29, 2005

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1. PURPOSE AND DEFINITIONS

The Department of Medical Assistance Services (DMAS) is the single State agency in the Commonwealth of Virginia that administers the Medicaid and State Children's Health Insurance Program (SCHIP) Programs under Title XIX and XXI of the Social Security Act, respectively, 42 Code of Federal Regulations, §431.53. DMAS is responsible for the development, implementation, and administration of the Medicaid program, Family Access to Medical Insurance Security (FAMIS), the Pre-Program of All-Inclusive Care for the Elderly (Pre-PACE) the Program of All-Inclusive Care for the Elderly (PACE), and other health care programs. The Division of Provider Reimbursement is responsible for the establishment of Medicaid rates paid for capitated programs.

DMAS is hereby soliciting proposals from qualified organizations through a competitive procurement process, in order to purchase consulting and actuarial services to develop capitation rates for Medicaid managed care programs, the State Children's Health Insurance Program, and other health care programs. This RFP is intended to provide potential contractors with sufficient information to submit proposals meeting minimum requirements. Contractors are encouraged to expand on the specifications based on their experience and knowledge.

Number of Awards: The services will be purchased from a nationally prominent firm through competitive negotiations.

Duration of the Contract: The contract will be for an initial period of three years from the date of award, with provision for two consecutive 12-month extensions.

General Scope of Responsibilities: The successful contractor assists in the development of timely and actuarially sound, risk adjusted capitation rates that meet federal requirements and are paid to 1) managed care organizations (MCOs) to provide all contracted health care services, 2) transportation contractors and 3) other Vendors, on behalf of Medicaid recipients. In addition, the contractor assists in the evaluation of bidder's proposed capitation rates and the development of 1915(b) waiver cost effectiveness projections.

Definitions:

- ACTUARIALLY SOUND CAPITATION RATES: Defined in 42 CFR 438.6 - capitation rates that have been developed in accordance with generally accepted actuarial principles and practices; are appropriate for the populations to be covered and the services to be furnished under the contract; and have been certified as actuarially sound by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.
- BALANCED BUDGET ACT (BBA): Refers to the Balanced Budget Act of 1997; final rule issued June 14, 2002; effective August 13, 2002. The BBA is the comprehensive revision to Federal statutes governing all aspects of Medicaid managed care programs as set forth in section 1932 of the Social Security Act and Title 42 Code of Federal Regulations (CFR) Part 438 et. seq.

- 1915(b) WAIVER: The waiver required by the Centers for Medicare and Medicaid Services that states must obtain, in order to implement managed care and prepaid health plan programs. Waivers must be renewed every two years.
- CAPITATION PAYMENT: A payment the Department makes periodically to a vendor on behalf of each recipient enrolled under a contract for the provision of specified services under the State Plan, regardless of whether the particular recipient receives services during the period covered by the payment.
- CAPITATION RATE: The monthly rate, payable to the Vendor, per enrollee, for all expenses incurred by the Vendor in the provision of contract services for the period covered by the contract.
- CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS): The Federal agency that administers Medicaid and the Children's Health Insurance Program.
- CHRONIC ILLNESS AND DISABILITY PAYMENT SYSTEM (CDPS): A diagnostic classification system that Medicaid programs can use to make health-based capitated payments for Temporary Assistance to Needy Families (TANF) and disabled Medicaid beneficiaries.
- CLAIMS DATA: An itemized statement of healthcare services and their costs provided by a hospital, physician's office or other provider. Claims are submitted to the insurer or managed care plan by either the plan member or the provider for payment of the costs incurred.
- CMSIP – Children's Medical Security Insurance Program: The Virginia Title XXI State Child Health Insurance Program (SCHIP), prior to 2002.
- CONTRACTOR: Organization under contract with DMAS to provide actuarial and consulting services.
- ENCOUNTER DATA: Data provided to DMAS by Vendors that reflect the claims paid to health care providers who provide services to Medicaid recipients.
- FAMIS and FAMIS PLUS– Family Access to Medical Insurance Security: In 2002, DMAS consolidated all children eligible for services administered by DMAS under one umbrella name. FAMIS covers children who qualify for benefits under Virginia's separate Title XXI State Child Health Insurance Program (SCHIP). FAMIS PLUS includes children who are medically indigent and eligible for benefits under Virginia's SCHIP Medicaid Expansion under Title XXI or under Title XIX (Medicaid) of the Social Security Act.
- FAMIS MOMS: Title XXI expansion population consisting of pregnant women with a family income between 133% and 150% of the Federal Poverty Level. The FAMIS MOMS program is expected to begin in July 2005.
- FEE FOR SERVICE (FFS): The Medicaid program in which payment for individual health care services are made, based upon the Medicaid FFS rate and fee schedules.
- MANAGED CARE ORGANIZATION (MCO): An insurance organization arranging benefits through managed care. DMAS currently contracts with five MCOs offering seven products. The number of contracted MCOs may change over the course of the contract period.
- MEDALLION: The Medicaid Primary Care Case Management Program (PCCM) that requires Medicaid recipients to select a primary care provider who manages their care and coordinates inpatient and specialty referrals. Primary Care Providers receive a monthly case management fee for managing patient care. Other services provided to recipients in MEDALLION are paid on a FFS basis.

- MEDALLION II: A full-risk MCO program for Medicaid recipients residing in the Tidewater, Northern, Southwest and Central Virginia regions and other areas in the state. Services are arranged by the MCO, and DMAS pays the MCO a monthly capitation payment to fund all contracted health care services. In areas of the state where only one MCO participates, Medicaid recipients may choose between enrolling in the MCO or remaining in MEDALLION, the PCCM program.
- MEDICAID ELIGIBILITY GROUPS (MEGS): A population group determined by eligibility category and demographic characteristics used for reporting actual and projected 1915(b) waiver expenditures.
- MEDICAID EXPANSION GROUP: Children between the ages of 6 and 19 years with a family income greater than 100% but less than 133% of the Federal Poverty Level.
- OFFEROR: Organization submitting a proposal to DMAS to provide actuarial and consulting services.
- OPTIONS: A voluntary MCO program that has been open to Medicaid recipients living in certain geographic locations in the past. Currently there are no areas in which *Options* operates.
- PRE-PROGRAM FOR ALL-INCLUSIVE CARE FOR THE ELDERLY (PRE-PACE): A comprehensive and integrated package of long-term medical, rehabilitative and other services, including day health care, nutritional counseling, respite care, escort services, supportive services, transportation, and meals. Pre-Pace does not include acute care and Medicare payments.
- PROGRAM FOR ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE): A comprehensive and integrated package of long-term medical, rehabilitative and other services, including day health care, nutritional counseling, respite care, escort services, supportive services, transportation, meals and acute care services. PACE includes Medicare payments. The PACE program is scheduled for implementation July 1, 2005.
- PRIMARY CARE CASE MANAGEMENT (PCCM): A system under which a primary care case manager contracts with the Commonwealth to furnish case management services (which include the location, coordination, and monitoring of primary health care services) to recipients. The MEDALLION program is Virginia's PCCM program.
- PROTECTED HEALTH INFORMATION (PHI): Individually identifiable health information that is created or received by a health care provider, health plan, employer, or health care clearinghouse and that relates to the mental or physical health of the individual, the provision of health care to the individual, or payment for the provision of health care to the Individual.
- RATE CELL: A capitation payment amount, based upon age, gender, basis of Medicaid eligibility, geography and other characteristics.
- RISK ADJUSTMENT: The statistical adjustment of measures to account for risk factors that are beyond the control of the MCO, such as the patient's gender, age and the seriousness of the patient's illness or presence of chronic health conditions.
- SMILES FOR CHILDREN: A dental services program targeted for implementation in July 2005. Smiles For Children will enroll approximately 400,000 Medicaid and FAMIS children in both fee-for-service and managed care programs and provide services through the use of a single Dental Benefits Administrator (DBA). When

Smiles For Children is implemented, dental services will be carved out of the MCO contracts.

- **STATE CHILDREN’S HEALTH INSURANCE PROGRAM (SCHIP)**: A program, established by the Balanced Budget Act, designed to provide health assistance to uninsured, low-income children either through separate programs, or through expanded eligibility under state Medicaid programs.
- **TEST OF COST EFFECTIVENESS**: The method used by CMS to ensure that the provision of health care services to Medicaid recipients in managed care arrangements is cost effective. Medicaid agencies must project the total cost of the waiver and the cost of care on a per member per month basis in a prospective period, when applying for a managed care waiver or waiver renewal, and then spend under the projected cost.
- **VENDOR**: An entity under contract with DMAS that provides services, such as a managed care organization, a pre-paid health plan, an administrative services organization, or a transportation broker.

2. BACKGROUND INFORMATION

- 2.1. INTRODUCTION:** The Virginia Medicaid program relies on both managed care organizations (MCO) and fee-for-service (FFS) arrangements to provide health care services to Medicaid recipients. Enrolled in managed care programs are Medicaid recipients who qualify for benefits under Temporary Assistance to Needy Families (TANF); Aged, Blind and Disabled (ABD); Medicaid Expansion; and, the State Children’s Health Insurance Program (SCHIP). Recipients are excluded from managed care programs if they are enrolled in most of the other waiver programs administered by DMAS (e.g., Mental Retardation, Pre-PACE), if they reside in state behavioral health facilities or nursing homes or if they are dually eligible or have other comprehensive third-party health insurance. Recipients enrolled in Smiles for Children may be concurrently enrolled in a managed care program.
- 2.2. MANAGED CARE PROGRAMS:** MEDALLION is a statewide primary care case management program (PCCM) that requires Medicaid recipients who meet Medicaid eligibility criteria for Supplemental Security Income (SSI), TANF, and others to select a primary care provider (PCP) who manages their care and coordinates inpatient and specialty referrals. Primary care providers are paid a case management fee of \$3 per member per month, and they are paid the prevailing Medicaid fee-for-service rates for providing Medicaid-covered health care services. Approximately 86,000 Medicaid recipients were enrolled in the MEDALLION program in June 2005.

The Medallion II program utilizes MCOs to arrange health care services for Medicaid recipients. Currently, five MCOs offer a total of seven products to Medicaid enrollees, although not all MCOs offer products in all areas of the state. Under this program, MCOs are paid monthly capitation fees to fund the cost of most services provided to Medicaid recipients, including inpatient and outpatient services, pharmacy, transportation and behavioral health services. The Medallion II program is a mandatory MCO program in which all managed care eligible Medicaid

recipients select an MCO from at least two MCOs operating in their geographic area. In areas where only one MCO operates, Medicaid recipients may select either the MCO or the PCCM program. Approximately 335,000 Medicaid recipients were enrolled in Medallion II in June 2005.

The FAMIS program capitates essentially the same services as those provided to Medicaid children covered by the Medallion II program. But the FAMIS program that serves children under the Title XXI program has a benefit structure that is slightly different from the benefit structure for the Title XIX Medicaid Expansion group, and separate capitation rates are calculated for children in the Title XXI group. Approximately 252,000 uninsured children under 19 years of age were enrolled in FAMIS and FAMIS Plus in November 2004. DMAS expects the number of enrolled children to increase during the next two years.

Historically, DMAS operated the PCCM and MCO managed care programs under two separate 1915(b) waivers. At the request of CMS, DMAS combined these two programs under one waiver for the most recent renewal application submitted in December 2004. In accordance with the most recent rules for waiver cost effectiveness, DMAS reported separate cost and enrollment projections for eight Medicaid Eligibility Groups (MEGS). The MEGS are:

TANF Child MCO	ABD MCO
TANF Adult MCO	ABD PCCM
TANF Child PCCM	Medicaid Expansion MCO
TANF Adult PCCM	Medicaid Expansion PCCM

2.3 PRE-PACE AND PACE PROGRAMS: The Pre-Program for All-Inclusive Care for the Elderly is an optional Medicaid benefit. Eligible persons must be frail, at least 55 years of age, eligible for Medicaid or Medicare, and meet criteria for admission to a nursing home. The Pre-PACE program utilizes multidisciplinary teams of health care providers who furnish services. Pre-PACE provider entities are paid capitation rates for covered services. Individuals enrolled in Pre-PACE receive covered benefits solely through the Pre-PACE program, except for acute care services. Individuals enrolled in PACE are also enrolled in Medicare and receive acute care services. The PACE program is similar to the Pre-Pace program except that PACE includes acute care services and Medicare.

2.4 TRANSPORTATION WAIVER: In July 2005, DMAS intends to contract with a transportation broker under a separate 1915(b) waiver to provide transportation services to Medicaid recipients who are not enrolled in Medallion II (Recipients in Medallion II receive transportation services through MCOs). The transportation broker will contract with and reimburse individual transportation providers. The transportation broker will be paid a monthly capitation fee for each Medicaid recipient enrolled in the transportation waiver program.

2.5 OTHER VENDORS: DMAS plans to implement the Smiles for Children dental program in July 2005 using a Dental Benefits Administrator to administer dental benefits. When Smiles for Children is implemented, dental services will be carved

out of the MCO contracts.

2.6 DMAS POLICIES: It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in State procurement activities. The Commonwealth encourages contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts or other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required. By submitting a proposal, Offerors certify that all information provided in the proposal is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

3. SCOPE OF SERVICES

3.1. DEVELOP CAPITATION RATES: Operating under the Balanced Budget Act checklist requirements, distinct sets of capitation rates must be developed for Medallion II, FAMIS/FAMIS MOMS, Pre-PACE, PACE, the transportation waiver and other programs administered by DMAS, as needed. In all cases, capitation rates must comply with statutory and regulatory requirements, including actuarial soundness and Federal waiver limits, and they must meet requirements specified by CMS in the document titled, “PAHP, PIHP and MCO Contracts - Financial Review Documentation for At-risk Capitated Contracts Ratesetting”. Capitation base rates may be for single or multiple years. A variety of capitation rates, or “rate cells,” will be developed based upon eligibility category, geographic region, age and gender. In addition, rates will be risk adjusted using CDPS or a similar risk-adjustment method, in order to ensure that capitation rates reflect the financial risk profile of Vendor’s members. The development of capitation rates should consider and integrate the development and tracking of projected expenditures for demonstrating waiver cost effectiveness according to the Centers for Medicare and Medicaid Services (CMS) requirements. Capitation rates must be developed within timelines established by DMAS and must be acceptable to CMS. The Contractor may be required to develop new capitation rates if populations are added to capitated programs; if there are policy, programmatic or pricing changes; if new Vendors enter or exit a program and if there are changes that significantly affect the risk profile of Vendors.

3.2. EVALUATE DATA QUALITY: Capitation rate development may use claims data, encounter data, health plan/provider/DMAS data, and/or other available information. DMAS and the Vendors will provide the actuary contractor with claims, encounter, enrollment and other data and information. The Contractor may work directly with the Vendors on a day-to-day basis, in order to obtain complete and accurate data and information.

Fee-for-service claims and MCO encounter data for geographic areas of the Commonwealth are available, depending primarily on the date that the Medallion II program was implemented in the area and the proportion of eligible persons enrolled in the program at different points in time. Beginning with the day that the program is

implemented in an area, encounter data replace claims data. The greater the number of years since implementation and the larger the proportion of eligible persons enrolled in the program, the smaller the volume of claims and the larger the volume of encounter and Vendor data exits that can be used to establish capitation rates.

The Contractor must assess the reliability, accuracy and completeness of the claims, encounter and Vendor data that may be used to establish capitation rates. This assessment will be particularly important because encounter data has not been used in the past to establish capitation rates. The Contractor must also make appropriate recommendations and adjustments as circumstances warrant.

- 3.3. FORMULATE ASSUMPTIONS:** The Contractor must develop credible utilization figures, trends, and adjustments to price health benefit packages that will be offered to low-income newborns, pregnant women, adolescents, frail elderly persons, disabled persons, and other populations covered by programs administered by DMAS. Adjustments may include those needed to account for changes that result from actions taken by the Federal government, the State General Assembly and/or by program changes, such as the inclusion of new populations in managed care, changes from one to multiple MCOs in an area, changes in a benefit package, changes in FFS reimbursement rates, or the implementation of new waivers through which services are provided on a capitated basis.

The Contractor will be required to adjust and update historic claims, encounter and Vendor data to account for inflationary and other trends. Benefit packages may vary by managed care arrangement and by geographic area. Cost-sharing amounts (i.e., premiums, deductibles, and coinsurance) may vary with family income. Adjustments and updates may vary by health care program, category of eligibility, and category of service. Adjustments for incurred but not reported or processed claims and encounters will also be required.

- 3.4. RISK ADJUSTMENT:** The Contractor must adjust the capitation rates for differences in the financial risk assumed by competing Vendors, using the Chronic Illness and Disability Payment System (CDPS) or other risk adjustment system that DMAS approves. In addition, mid-contract risk-adjustment calibration may be required.
- 3.5. PREPARE RATE BOOK:** The Contractor must prepare ratebooks that provide systematic documentation regarding the development of capitation rates that allow DMAS and Vendors to understand the methodology utilized by the Contractor during rate development. Documentation must clearly and completely explain and depict how capitation rates were developed, starting with raw data. This includes assumptions, a discussion of trend factors, claims lag and other adjustments. At a minimum, the ratebooks must show, per-member per-month costs by service type for each rate cell by specified Medicaid eligibility categories (e.g., TANF and ABD), annual costs per unit of service by service type, annual utilization patterns per 1,000 members, adjustments by service type, inflation updates, and risk adjusters by MCO. For various categories of eligibility, this information must be cross tabulated by category of service, demographic class, geographic area, and MCO.

DMAS will issue the ratebooks to Vendors. It is imperative that interested parties are able to easily replicate the rates from information in the ratebooks. The Contractor will be required to meet with Vendors multiple times to explain how the rates were developed and be prepared to answer questions that Vendors pose regarding actuarial methods, assumptions, and computations.

- 3.6. ASSIST IN THE PREPARATION AND AMENDMENT OF 1915(B) WAIVER COST EFFECTIVENESS PROJECTIONS:** CMS requires that states renew their 1915(b) waivers every two years. Per recent regulatory changes, waiver renewal requirements include the demonstration of past waiver cost effectiveness using actual expenditures and the projection of both per member per month and total program costs for the upcoming two-year period. Using the past waiver period expenditures as a base, states must make adjustments for a variety of factors and trend the data forward through the end of the new waiver period. In addition, if states implement policy, program or pricing changes during a waiver period that are expected to impact waiver spending, states must amend their projections to account for the expected changes. In State Fiscal Year 2005, DMAS combined their MEDALLION and Medallion II waivers into one managed care waiver and submitted a *Conversion Waiver* renewal application to CMS for the prospective two-year period beginning April 1, 2005. DMAS expects that there will be program, policy and/or pricing changes that will necessitate mid-waiver amendments to the cost effectiveness projections. The Contractor may be asked to assist DMAS in calculating mid-waiver cost projection amendments and in preparing the cost effectiveness portion of future waiver renewal applications. The next renewal will be due for submission to CMS by January 1, 2007.
- 3.7. PERFORM OTHER SERVICES:** The Contractor may be asked to develop capitation rates or forecast utilization rates and inflation updates for other programs or specific health services. In addition, the Contractor may be asked to assist DMAS in the evaluation of capitation rates proposed by various service vendors. Also, the Contractor may be asked to provide training to DMAS staff relevant to all functions undertaken by the Contractor under this procurement. DMAS will issue task orders and specify timelines, as circumstances warrant.
- 4. CONTRACTOR QUALIFICATIONS:** DMAS wishes to contract with a nationally prominent firm that performs actuarial consulting services. The Offeror must demonstrate a high level of skills, knowledge, expertise and national experience in the following areas:
- 4.1.** The calculation of actuarially sound capitation rates, consistent with State and Federal statutory and regulatory requirements, for managed care organizations that enroll low-income persons (e.g., newborns, adolescents, pregnant women, elderly and disabled persons, and special needs populations);
- 4.2.** The development of actuarially sound capitation rates for Medicaid, SCHIP, Pre-PACE, PACE, transportation and other public health programs, subject to Medicaid upper payment and Federal waiver limits;

- 4.3. A practical understanding of the Medicaid and SCHIP provisions of the Balanced Budget Act, in particular, the most current rules for developing actuarially sound capitation rates and for testing 1915(b) waiver cost effectiveness. The Offeror must demonstrate an appreciation of the potential impacts of capitation rates on meeting waiver cost effectiveness;
- 4.4. Familiarity with the health care programs administered by DMAS, with Virginia health care markets and with national health care cost and utilization trends.
- 4.5. The processing of large health claims and encounter databases from managed care organizations, Medicaid agencies and other Vendors to develop capitation rates for managed care programs, including verification of the accuracy and completeness of the data.
- 4.6. Knowledge of the health insurance industry and community- and experience-based rating methods. The implementation of risk adjusters for capitation rates for health benefit packages - experience in the use of CDPS is preferred;
- 4.7. The Contractor must have sufficient qualified staff to meet DMAS' needs. This includes, at a minimum, an actuary who is an Associate in the Society of Actuaries and a member of the American Academy of Actuaries.
- 4.8. The Contractor must demonstrate their ability to manage projects and match staff to tasks in a manner that provides the most efficient use of resources.
- 4.9. The Contractor must have the ability to interact with contracted Vendors in a professional and credible manner, both in the day-to-day performance of tasks, such as data exchange, and in the presentation of capitation rates and the methods used for their development.
- 5. **PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:** The Contractor must meet the general and specific requirements discussed below, in order to be deemed responsive and qualified to contract with DMAS. DMAS may reject a proposal that is substantially incomplete or lacks critical information. Mandatory or critical items are those required by statute or regulation and that cannot be waived or subject to negotiation. Offerors may be asked to make an oral presentation of their proposal to DMAS staff. Such Offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts.

5.1. General Requirements

- 5.1.1. **Submission Deadlines**—Contractors must submit their questions about the RFP and the required Letter of Intent to Bid by 2:00 pm Local Time on July 22, 2005. Contractors must submit an original and four (4) copies of the technical proposal by 2:00 pm Local Time on August 12, 2005. Submissions of the Letter of Intent and Proposals should be made to the attention of William D. Sydnor at DMAS, 600 East Broad Street, Richmond, Virginia 23219. Any Letter of Intent or proposal en route, either in the mail or at a location other than 600 East Broad Street, on the specified date and time will not be

considered timely. A Letter of Intent or proposal received after the deadline will be late and ineligible for consideration.

The Technical Proposal shall be clearly labeled “Technical Proposal” on the front cover. The legal name of the organization submitting the proposal shall also appear on the covers.

The proposal shall be typed, bound, page-numbered, single-spaced with a 12-point font on 8 1/2” x 11” paper with 1” margins and printed on one side only. Each copy of the Technical Proposal and all documentation submitted shall be contained in single three-ring binder volumes where practical. A tab sheet keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.

The Offeror shall submit an original and four (4) copies of the Technical Proposal by the response date and time specified in this RFP. Each copy of the proposal shall be bound separately. This submission shall be in a sealed envelope or sealed box clearly marked “RFP 2005-04 Technical Proposal”. The Offeror shall also submit one electronic copy (compact disc preferred) of their Technical Proposal in MS Word format (Microsoft Word 2000 or compatible format). In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy of their Technical Proposal.

5.1.2. Submission Requirements - The proposal must contain the full name and address of every company, individual, or entity with an interest in the proposal. The proposal must be submitted in a sealed envelope clearly marked RFP 2005-04. The proposal must include a straightforward, concise description of the Contractor's capabilities relative to the RFP's requirements and DMAS' needs. Emphasis should be placed on completeness and clarity of content.

5.1.3. Authorized Signature - The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda.

At a minimum, the transmittal letter shall contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
 - a) The Offeror must identify any contracts or agreements they have with any state or local government entity that is similar in scope to the services described in the RFP. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
 - b) Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its subcontractors; and
 - c) The Offeror must be licensed to conduct business in the state of Virginia.
2. A statement that the Offeror has read, understands and agrees to perform all of the

- Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, the Contract and Addenda;
3. The Offeror's general information, including the address, telephone number, and facsimile transmission number;
 4. Designation of an individual as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant Contract;
 5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS; and

5.1.4. Signed Cover Page of the RFP and Addenda - To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP, as well as the cover page of the Addenda, if issued, to the RFP, and submit them along with its proposal.

5.1.5 Format and Structure - The proposal must be organized in the order in which the requirements are presented in the RFP. All pages of the proposal must be numbered consecutively. Each paragraph in the proposal must reference the paragraph number of the corresponding section of the RFP. The proposal must contain a table of contents that cross-references the RFP requirements. Information that the contractor decides to furnish that does not fall within any of the RFP's stated requirements must be inserted at an appropriate place or be attached to the end of the proposal and labeled as additional material. A proposal that is not organized in this manner may be eliminated from consideration for award if the evaluators, in their sole discretion, are unable to determine where the RFP requirements are addressed specifically in the proposal.

5.1.6 Presentation - Each copy of the proposal must be bound or contained in a single volume, where practical. All documentation submitted with the proposal must be contained in that single volume.

5.1.7 Public and Proprietary Information - All data, materials, and documentation originated and prepared for the Commonwealth of Virginia in the RFP shall belong exclusively to the Commonwealth and be subject to public inspection according to the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by a contractor shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the contractor must invoke the protections of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data are submitted. The written notice must identify specifically the data or materials to be protected and explain why protection is necessary. The proprietary or trade secret material must be identified by some distinct method, such as highlighting or underlining, and must indicate clearly the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable and, at the sole discretion of DMAS, may result in rejection or return of the proposal.

5.1.8 Confidentiality and Security - The Offer must describe how it will ensure the confidentiality and security of information in keeping with Commonwealth and Federal requirements, including, but not limited to, HIPPA. The Commonwealth and the Federal

government require that all information pertaining to recipients, providers, health care facilities, and managed care plans be treated as confidential.

5.2 Specific Requirements

- 5.2.1. Complete Proposal** - The proposal, including any subsequent addendum, must be complete and signed by an authorized representative of the Offeror.
- 5.2.2. Executive Summary** - The proposal must include a summary that highlights an understanding of the contract requirements, qualifications to serve as the DMAS Contractor for the project, overall approach to the project and a summary of the contents of the proposal.
- 5.2.3. Capacity Summary** - The proposal must include the Offeror's experience with developing capitation rates for managed health care services, including the use of risk adjustment methods, preferably the CDPS system. The proposal also must demonstrate that the Offeror has sufficient staff with the experience and credentials needed to meet DMAS' specific needs. The Offer may utilize subcontractors to work on portions of this project.
- 5.2.4. Qualifications Summary** - The proposal must detail the relevant experience and credentials of the staff and subcontractors who will work on this engagement. It is imperative that the Offeror has significant experience in developing risk-adjusted capitation rates for health benefit packages. Resumes of staff and subcontractors proposed for this RFP are to appear as an attachment to the proposal submitted.
- 5.2.5 Step-by-Step Description of the Capitation Rate Setting Process** – The proposal must provide a detailed and specific description of the approach they would take in developing actuarially sound capitation rates for covered populations, which include recipients residing in both urban and rural areas, recipients in the eligibility categories of TANF and TANF-related women, infants and children; blind, aged and disabled populations; and, children eligible for benefits under the State Children's Health Insurance Program. Covered populations include persons with special health care needs. Consideration should be given to the type of data required, the fact that in some areas of the state, enrollment into an MCO is voluntary and any adjustments that would be required. In addition, over the course of a rate-contract period, there may be program changes, such as the conversion of one MCO areas to multiple MCO areas, managed care organization entrance to or exit from geographic areas or the Medicaid market, and the addition of new populations, such as higher-income pregnant women or children in Foster Care. The description of the rate setting process should demonstrate the Offeror's understanding of the BBA checklist requirements for capitation rate setting and consider the impact of the current rules regarding the 1915(b) waiver test of cost effectiveness. The description should be appropriate for a general audience and may be no more than five single-spaced pages utilizing 12-point type.
- 5.2.6. Risk Adjustment** - the Offeror must describe the approach they would take to ensure that rates paid to individual Vendors are adequate to cover the risk profile of their enrollees and describe criteria for determining when mid-contract rate adjustments may be necessary.

5.2.7. Waiver Cost Effectiveness – The Offeror must describe the approach they would take to prepare waiver cost effectiveness projections for wavier renewals and for mid-waiver amendments.

5.2.8. Staff Roster - The Offeror should provide a description and chart of the overall organizational structure that identifies all staff proposed for this contract. Staff must include, but is not limited to, a Project Manager, a Senior Analyst/Statistician, a Data Analyst and an Actuary who is an Associate in the Society of Actuaries and a member of the American Academy of Actuaries. The Offeror must name the individuals (along with their job titles) who will work with DMAS and demonstrate their experience and credentials. The Offeror must commit in writing not to change the proposed staffing without DMAS' prior written concurrence. The Offeror must also include in the proposal a signed commitment letter from any subcontractor proposed for the project to provide services during a specified time period.

5.2.9. Project Management - The Offeror must describe its plans to staff, manage, control and supervise the contract and demonstrate the ability to staff and manage projects in an efficient and cost effective manner, in order to provide maximum value to the State. The description will include an estimate of the mix of contactor staff that will be assigned to specific tasks.

5.2.10. References - The Offeror must provide a comprehensive listing of contracts of similar size and scope that the Offeror has successfully completed, including contracts with other State Medicaid Agencies, as evidence of their ability to successfully complete the services required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the Offeror should provide the name and telephone number of a contact person. In addition, the Offeror must provide the names, titles, addresses, and telephone numbers of three references from among commercial or government clients for whom it has performed similar work during the past three years.

5.2.11. Additional Information -The Contractor is encouraged to furnish any other information pertinent for the project.

6. EVALUATION CRITERIA: DMAS will evaluate each proposal using the criteria discussed below. DMAS may decide not to contract with any of the Offerors. DMAS will assign a relative weight to each of the following criteria. DMAS will score and rank the proposals based on the overall composite or weighted score for all criteria combined. The following criteria will be used to score and rank each proposal:

6.1 Contractor Qualification Evaluation Criteria

6.1.1. The experience and expertise of the Offeror in providing actuarial services to calculate actuarially sound, risk-adjusted capitation rates for managed care programs for low-income newborns, adolescents, pregnant women, the frail elderly, and disabled persons covered by Medicaid.

- 6.1.2.** The experience and expertise of the Offeror in providing actuarial services to calculate actuarially sound, risk-adjusted capitation rates for Medicaid, SCHIP, Pre-PACE, PACE and other public health programs, subject to Medicaid upper payment and Federal waiver limits.
- 6.1.3.** The Offeror's practical understanding of federal regulations pertaining to Medicaid capitation rate setting methodology and 1915(b) waiver cost effectiveness requirements.
- 6.1.4.** The Offeror's familiarity with the health care programs administered by DMAS and with Virginia health care markets. The depth and breadth of the Offeror's knowledge of health care markets and trends.
- 6.1.5.** The experience and expertise of the Offeror in working with and validating large volumes of claims and encounter data from multiple health insurance companies, transportation and other providers and from State Medicaid agencies.
- 6.1.6.** The experience and expertise of the Offeror in community and experience-based health insurance rate setting, including the use of risk adjustment with CDPS as the preferred method.
- 6.1.7.** The expertise and credentials of the Offeror and staff who will be assigned to work on the project. The quality of the references for similar work the Offeror has performed during the past three years.
- 6.1.8.** Demonstration of the Offeror's ability to interact with contracted Vendor staff in a professional and credible manner.

6.2. Specific Requirements Evaluation Criteria

- 6.2.1** Complete Proposal. The completeness and overall quality of the proposal.
- 6.2.2** Summary Statements. Clear and concise executive, capacity and qualifications summaries that demonstrate the Offeror's understanding of and ability to perform all elements presented in the Scope of Service.
- 6.2.3** Qualifications. The closeness of the match between the knowledge, skills, and ability of the persons listed in the staff roster and the tasks required in the Scope of Service. The demonstration that staff listed in the staff roster has sufficient expertise and experience in the performance of tasks required by the Scope of Service. At least one staff member who is an Associate in the Society of Actuaries and a member of the American Academy of Actuaries.
- 6.2.4** Rate Setting Process. The Offeror's ability to clearly and completely communicate the detailed step-by-step approach to all tasks related to capitation rate setting, including the quality and soundness of the approach and proposed methods. Mere reiterations of the tasks are strongly discouraged, as they do not provide insight into the Offeror's ability to complete the contract. This section of the proposal should be designed to convince the State that the Offeror's approach demonstrates knowledge of the steps, considerations,

issues and challenges that are faced in calculating capitation rates and their solutions.

- 6.2.5** The Offeror's ability to clearly and completely communicate the approach to preparing waiver cost effectiveness projections and amendments. The quality and soundness of the approach and proposed methods.
- 6.2.6** Staff Roster. The adequacy of the Offeror's organizational structure and staffing plan.
- 6.2.7** Project Management. The demonstrated ability to staff and manage the project in an efficient and cost-effective manner. The ability to deliver products in a timely manner.
- 6.2.8** References. The demonstration of successful past experience in providing service required by the RFP to organizations similar to DMAS. The quality of the references.

- 7. AWARD CRITERIA:** The Commonwealth may engage in individual discussions with two or more Offerors deemed fully qualified, responsible and suitable on the basis of initial proposal and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible, and Offerors may be asked to make an oral presentation of their proposal to DMAS staff. Such Offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage non-binding estimates of total project costs, including non-binding estimates of price for services may be discussed. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors.

At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, DMAS shall select, in the order of preference, two or more Offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the Offeror ranked first. If a contract satisfactory and advantageous to the purchasing agency can be negotiated at a price considered fair and reasonable, the award shall be made to that Offeror. Otherwise, negotiations with the Offeror ranked first shall be formally terminated and negotiations conducted with the Offeror ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

- 8.1. REPORTING REQUIREMENTS AND DELIVERABLES:** At a minimum, the successful contractor must furnish DMAS with the following deliverables:
 - 8.1.1** Timely, well-written reports with spreadsheets and other supporting documentation showing rate calculations for health benefits for covered populations, using software and platforms specified by DMAS.

- 8.1.2 Electronic files (i.e., tapes and diskettes) of reports, spreadsheets, and supporting documentation in formats specified by DMAS.
- 8.1.3 Periodic meetings with DMAS staff and health plans/providers to explain the rates and answer related questions.
- 8.1.4 All claims, encounter, eligibility, and other files that DMAS provides to the successful contractor must be returned to DMAS after the final capitation rates are established. These files will be the sole property of DMAS.
- 8.2. **METHOD OF PAYMENT:** Compensation under the contract will be paid at the negotiated hourly rates plus approved expenses on a monthly basis. The Contractor must furnish DMAS with detailed invoices or bills identifying the Federal tax identification number, the contract number, the task, the number of hours worked by each person assigned to the task, the corresponding hourly rate, and allowable out-of-pocket expenses. Invoices for out-of-pocket expenses shall be accompanied by supporting receipts. Each invoice submitted by the Contractor shall be subject to DMAS approval based on satisfactory performance of contracted services and compliance with all contract terms.

Payment will be made no later than thirty (30) days after receipt of a correct invoice for such payment. When payment is made by mail, the date of the postmark shall be deemed to be the date of payment. Any amounts due the Commonwealth under the terms of this Agreement may be applied against the Contractor's invoice with appropriate information attached.

In accordance with the Virginia Public Procurement Act, all proper charges for which payment is more than seven (7) days overdue shall accrue interest as provided in Sections 11-62.1 through 11-62.9 of the Code of Virginia. The rate of interest shall be determined in accordance with Section 11062.5 of the Code of Virginia. In no event shall any interest penalty accrue, however, when payment is delayed because of a disagreement between the Commonwealth and the Contractor regarding the quantity, quality or time of delivery of any Product of Service or the accuracy of correctness of any invoice. The Contractor shall notify the fiscal officer of the Virginia Department of Medical Assistance Services of all invoices that are in excess of thirty (30) days old.

9. GENERAL TERMS AND CONDITIONS

- 9.1. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."
- 9.2.1 **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising

from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

9.2.2 ANTI-DISCRIMINATION: By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:

a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or Vendor.

9.4. ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any

payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

- 9.5. IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their proposals, offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- 9.6. DEBARMENT STATUS:** By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- 9.7. ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- 9.8. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS:** Failure to submit a proposal on the official state form, in this case the completed and signed RFP Cover Sheet may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- 9.9. CLARIFICATION OF TERMS:** If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than July 22, 2005. Any revisions to the solicitation will be made only by addendum issued by the buyer. Offerors must check the DMAS web site at www.dmas.virginia.gov or check the eVA web site at www.eva.state.va.us for any addendums or notices regarding this RFP.
- 9.10. PAYMENT:**
1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.

d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

a. A contractor awarded a contract under this solicitation is hereby obligated:

(1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or

(2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.

b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such

payment.

- 9.11. PRECEDENCE OF TERMS:** The following General Terms and Conditions *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- 9.12. QUALIFICATIONS OF OFFERORS:** The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
- 9.13. TESTING AND INSPECTION:** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- 9.14. ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.
- 9.15. CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the

work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or

c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

9.16 DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

9.17 TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

9.18 INSURANCE: By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder or offeror further certifies that the Contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is

compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.

2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence.
4. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
5. Professional Liability/Errors and Omission \$1,000,000 per occurrence, \$3,000,000 aggregate.
6. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

9.19 ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.state.va.us) for a minimum of 10 days.

9.20 DRUG-FREE WORKPLACE: During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or Vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

9.21. NONDISCRIMINATION OF CONTRACTORS: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the

faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

9.22. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION: The eVA Internet electronic procurement solution, web site portal www.eva.state.va.us, streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for Vendors to conduct business with state agencies and public bodies. All Vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

- a. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding.
- b. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.

10. SPECIAL TERMS AND CONDITIONS

10.1 ACCESS TO PREMISES: The Contractor shall allow duly authorized agents or representatives of the State or Federal Government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the State or Federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor will be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

The Department, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

10.2 ACCESS TO AND RETENTION OF RECORDS: In addition to the requirements outlined below, the Contractor must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards.

10.2.1 ACCESS TO RECORDS: The Department, its duly authorized representatives and State and Federal auditors shall have access to any books, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors.

The Department, or its duly authorized representatives, shall be allowed to inspect, copy, and audit any of the above documents, including, medical and/or financial records of the Contractor and its subcontractors.

10.2.2 RETENTION OF RECORDS: The Contractor shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the renewal date. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.

10.3 ADVERTISING: In the event a contract is awarded for services resulting from this proposal, no indication of such sales or services to DMAS will be used in product literature or advertising. The Contractor shall not state in any of its advertising or product literature that the Commonwealth of Virginia or any agency or institution of the

Commonwealth has purchased or uses its products or services.

- 10.4 AUDIT:** The Contractor shall retain all books, records, and other documents relative to this contract for six (6) years after final payment, or longer if audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.
- 10.5 AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- 10.6 AWARD:** The Commonwealth shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial proposal and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage the public body may discuss non-binding estimates of total project costs, including, but not limited to, life-cycle costing, and, where appropriate, non-binding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, the purchasing agency shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the purchasing agency can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.
- 10.7 CANCELLATION OF CONTRACT:** The Department reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 30 days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding services issued prior to the effective date of cancellation.
- 10.7.1 TERMINATION:** This Contract may be terminated in whole or in part:
- a. By the Department, for convenience, with not less than thirty (30) days prior written notice, which notice shall specify the effective date of the termination,
 - b. By the Department, in whole or in part, if funding from Federal, State, or other sources is withdrawn, reduced, or limited;
 - c. By the Department if the Department determines that the instability of the Contractor's financial condition threatens delivery of services and continued

- performance of the Contractor's responsibilities; or
- d. By the Department if the Department determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities.

Each of these conditions for contract termination is described in the following paragraphs.

10.7.2 TERMINATION FOR AVAILABLE FUNDS: The Contractor understands and agrees that the Department shall be bound only to the extent of the funds available or which may become available for the purpose of this resulting Contract. When the Department makes a written determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department shall, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether Federal and/or State funds. The Department may terminate this Contract upon written notice to the Contractor at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor shall be unable or unwilling to provide covered services at reduced rates, the Contract shall be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract between the parties is executed. A determination by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract shall be final and conclusive.

10.7.3 TERMINATION BECAUSE OF FINANCIAL INSTABILITY: In the event the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under the Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, the Department may, at its option, immediately terminate this Contract effective at the close of business on a date specified by the Department. In the event the Department elects to terminate the Contract under this provision, the Contractor shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor shall submit a written waiver of the licensee's rights under the Federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a principal network provider or subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

10.7.4 TERMINATION FOR DEFAULT: The Department may terminate the Contract, in whole or in part, if the Department determines that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract and is unable to

cure such failure within a reasonable period of time as specified in writing by the Department, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the Department that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract, the Contractor shall be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Department will notify the Contractor in writing within thirty (30) calendar days of the last day of the specified time period that the Contract, has been terminated in full or in part, for default. This written notice will identify all of the Contractor's responsibilities in the case of the termination, including responsibilities related to enrollee notification, network provider notification, refunds of advance payments, return or destruction of Department data and liability for medical claims.

In the event that DMAS determines that the Contractor's failure to perform its duties and responsibilities under this contract results in a substantial risk to the health and safety of Medicaid or FAMIS recipients, DMAS may terminate this contract immediately without notice.

If, after notice of termination for default, it is determined by the Department or by a court of law that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control of and without error or negligence on the part of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.

In the event of termination for default, in full or in part, as provided for under this clause, the Department may procure from other sources, upon such terms and in such manner as is deemed appropriate by the Department, supplies or services similar to those terminated, and the Contractor shall be liable for any costs for such similar supplies and services and all other damages allowed by law. In addition, the Contractor shall be liable to the Department for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. In the event of a termination for default prior to the start of operations, any claim the Contractor may assert shall be governed by the procedures defined by the Department for handling contract termination. Nothing herein shall be construed as limiting any other remedies that may be available to the Department.

In the event of a termination for default during ongoing operations, the Contractor shall be paid for any outstanding payments due less any assessed damages.

10.7.5. REMEDIES FOR VIOLATION, BREACH, OR NON-PERFORMANCE OF CONTRACT: Upon receipt by the Department of evidence of substantial non-compliance by the Contractor with any of the provisions of this Contract or with State or federal laws or regulations the following remedies may be imposed.

10.7.6. PROCEDURE FOR CONTRACTOR NONCOMPLIANCE NOTIFICATION: In the event that the Department identifies or learns of noncompliance with the terms of this contract, the Department will notify the Contractor in writing of the nature of the noncompliance. The Contractor must remedy the noncompliance within a time period established by the Department and the Department will designate a period of time, not less than ten (10) calendar days, in which the Contractor must provide a written response to the notification. The Department may develop or may require the Contractor to develop procedures with which the Contractor must comply to eliminate or prevent the imposition of specific remedies.

10.8 PAYMENT: The Contractor shall be prepared to provide the full range of services requested under this RFP and resultant contract, on site and operationally ready to begin work by the implementation date established by DMAS. DMAS will provide adequate prior notice of the implementation date. Upon approval of the Contractor's operational readiness and a determined start date, DMAS shall make payments as described in Section 8.2.

10.9 IDENTIFICATION OF PROPOSAL ENVELOPE: The signed proposal should be returned in a separate envelope or package sealed and identified as follows:

From: _____
Name of Offeror Due Date /Time

Street or Box Number City, State, Zip Code

RFP Number

Name of Contract/Purchase Officer:

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

10.11 INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or

caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the Contractor on the materials, goods or equipment delivered.

10.12 MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING: Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to certified minority and/or women-owned (SWAM) businesses. If SWAM subcontractors are used, the prime contractor agrees to report the use of SWAM subcontractors by providing the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, category type (small women or minority-owned), and type of product/service provided. .

10.13 PRIME CONTRACTOR RESPONSIBILITIES: The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

10.14 RENEWAL OF CONTRACT: This contract may be renewed by the Commonwealth upon written agreement of both parties for two successive one-year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration. Cost increases in renewal years, at the option of the purchasing agency, will be limited to the lower of the increase in the CPI or salary adjustments to State employees.

10.15 CONFIDENTIALITY INFORMATION: By submitting a proposal, the Contractor agrees that information or data obtained by the Contractor from DMAS during the course of determining and/or preparing the proposal may not be used for any other purpose than determining and/or preparing the Contractor's proposal. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the proposal.

10.16 HIPAA COMPLIANCE: The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and Regulations with regards to handling, processing, or using Health Care Data. This includes but is not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations as it pertains to this agreement, and the Contractor shall keep abreast of the regulations. Since this is a federal law and the regulations apply to all health care information, the Contractor shall comply with the HIPAA regulations at no additional cost to DMAS. The Contractor will also be required to enter into a DMAS-supplied HIPAA Business Associate Agreement with DMAS to comply with the regulations protecting Health Care Data. A template of this Agreement is available on the DMAS Internet Site at

<http://www.dmas.virginia.gov/hpa-home.htm>.

- 10.17 OBLIGATION OF CONTRACTOR:** By submitting a proposal, the Contractor covenants and agrees that it has satisfied itself of the conditions to be met, and fully understands its obligations, and that it will have no right to cancel this proposal or to relief of any other nature because of its misunderstanding or lack of information.
- 10.18 INDEPENDENT CONTRACTOR:** Any Contractor awarded a contract under this RFP will be considered an independent Contractor, and neither the Contractor, nor personnel employed by the Contractor, is to be considered an employee or agent of DMAS.
- 10.19 OWNERSHIP OF INTELLECTUAL PROPERTY:** All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this contract shall become the sole property of the Commonwealth. On request, the Contractor shall promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Commonwealth to evidence the Commonwealth's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.
- 10.20 SUBSIDIARY-PARENT RELATIONSHIP:** In the event the Offeror is a subsidiary or division of a parent organization, the Offeror must include in the proposal, a signed statement by the chief executive officer of the parent organization pledging the full resources of the parent organization to meet the responsibilities of the subsidiary organization under contract to DMAS. Any change in ownership will not relieve the original parent of its obligation of pledging its full resources to meet the obligations of the contract with DMAS without the expressed written consent of the DMAS Director.